GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

STARRED QUESTION NO:296
ANSWERED ON:13.12.2005
AGRO BASED INDUSTRIES
Mahato Shri Bir Sing;Prasad Shri Hari Kewal

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether a large number of multinational companies have entered in the business of agro-based industries;

(b): if so, the details thereof;

(c): whether the domestic agro-based industries have been adversely affected due to the entry of multinational companies; and

(d): if so, the details thereof alongwith steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(d): A statement is placed on the Table of the Sabha. STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 296 TO BE ANSWERED ON 13.12.2005

(a)&(b): Under the Foreign Direct Investment (FDI) policy of the Government, some multinational companies have set up agro-based industries. These include companies like Nestle, Pepsi, Heinz, Kellogs, etc.

(c)&(d): The entry of these companies has led to increase in competitiveness and investment and improvement in product quality. Government implements the following schemes for the promotion and modernisation of the food processing industries in the country:

(i) Financial assistance for establishment, expansion and modernisation of food processing units.

(ii) Grants for creation of infrastructure like water supply, power, effluent treatment plant, laboratory, etc.

(iii) Scheme for quality assurance in units.

(iv) Deduction of hundred per cent of profit for five years under the Income Tax Act for select new food processing industries.

(v) Waiver of central excise duty on processed fruits and vegetable products.

Similarly, for promotion and establishment of agro-based and other village industries, Government implements the following schemes :

(i) Rural Employment Generation Programme (REGP) for employment generation through the setting up of village industries.

(ii) Rural Industries Service Centre (RISC) Scheme for setting up of common facility centres (CFCs) to provide infrastructural support and services to such industries.

(iii) Product Development, Design Intervention and Packaging

(PRODIP) Scheme for improved design and packaging of village industry products.

(iv) Financial assistance to village industry units for participation in national and international level exhibitions for market development.